

6 December 2016

Agenda Item: 7

REPORT OF CORPORATE DIRECTOR, PLACE

**NOTTINGHAMSHIRE ECONOMIC DEVELOPMENT CAPITAL FUND –
ROUND 3 UPDATE**

Purpose of the Report

1. The purpose of the report is to:
 - a) update Committee on the progress with the third round of the Nottinghamshire Economic Development Capital Fund (NEDCF)
 - b) seek approval to launch a fourth round of the Fund in January 2017
 - c) subject to (b) above, seek approval for an extra £20,000 to be allocated in 2017/18 to cover the cost of the independent technical advice.

Information and Advice

2. The NEDCF was established to support small and medium sized companies in Nottinghamshire to expand through a capital grant, largely related to equipment purchase, the extension of existing premises or the acquisition of new premises, thus enabling business growth and job creation.
3. The Fund had a total of £6 million available to the end of March 2020, against the following seven targets:

Output	Target
Jobs created	550
Jobs safeguarded	350
Leverage from public & private sector	£13m
(Original) Benchmark cost per job Rounds 1 & 2	£26,000
(Revised) Benchmark cost per job Round 3	£10,000
Businesses assisted	70
Percentage employed at or above the Living Wage Foundation rate per hour	75%

4. On 22nd March 2016 Committee received a progress report on the first two rounds and agreed to launch a third round of the Fund.
5. With around £3.5M of grant remaining, the third round of the fund was launched in June and 24 Stage One applications were received. Of these, 15 were invited to

make a Stage Two application. To date, nine of these Stage Two applications have been approved under delegated authority with the rest of the applications the subject of detailed consideration. Appendix A offers details of the nine applications approved to date.

6. If all 15 of the Stage 2 applications from Round 3 applications are approved, the following outputs will be realised:

Output	Approved (Anticipated & Actual)
Jobs created	154
Jobs safeguarded	73
Leverage from private sector	£3.43 Million
Benchmark cost per job	£9,400 (against the set benchmark of £10,000)
Living Wage Foundation rate per hour	80% (against the set benchmark of 75%)
Businesses assisted	15
Grant allocated	£1.22 million

7. Following completion of the Round 3 approval and agreement process, it is anticipated that close to £2.3 million will remain in the Fund which would allow for a further round of applications. Should members agree to open a fourth round, it is proposed that a review of the overall impact of the Fund also be offered to Committee at the end of March 2017.
8. If round four is approved, more independent technical assistance will be required. This has not been accommodated for from the existing budget. It is suggested that £20,000 is required to facilitate this from 17/18 economic development service budget.

Other Options Considered

9. The Committee may choose not to launch a further round of the Fund, accepting that despite demand, no further support will be available for small and medium sized companies in Nottinghamshire through the Fund.

Reason(s) for Recommendations

10. To allow members to consider launching a fourth round of the NEDCF.

Statutory and Policy Implications

11. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the body of the report.

Finance Implications

12. As outlined in the body of the report to cover the cost of independent technical advice.

RECOMMENDATIONS

13. It is recommended that the Committee:

- a) notes the progress of the third round of the Capital Fund;
- b) approves the launch of the fourth round of the Fund in January 2017, and;
- c) subject to approval of the fourth launch of the Fund, approves the allocation of £20,000 from 2017/18 Economic Development Service budget to cover the cost of independent technical advice.

Tim Gregory
Corporate Director, Place

For any enquiries about this report please contact:

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Constitutional Comments [SLB 16/11/2016]

Economic Development Committee is the appropriate body to consider the content of this report.

Financial Comments [SES 16/11/16]

The financial implications are set out in the report.

Background Papers

- *The Nottinghamshire Economic Development Capital Fund* – report to Economic Development Committee Report - 22 March 2016, published
- *The Nottinghamshire Economic Development Capital Fund* – report to Economic Development Committee Report - 8 September 2015, published
- *Nottinghamshire Economic Development Capital Fund* – report to Economic Development Committee Report - 3 February 2015, published
- *Nottinghamshire Economic Development Capital Fund* – report to Economic Development Committee Report - 16 September 2014, published
- *Nottinghamshire Economic Development Capital Fund* – report to Economic Development Committee Report - 11 February 2014, published
- *Economic Development Capital Fund* – report to Economic Development Committee Report - 12 December 2013, published

Electoral Division(s) and Member(s) Affected

The NEDCF operates across Nottinghamshire, potentially impacting all electoral divisions. Approvals impacting specific divisions and members are alerted as projects are progressed.